



**Conference of the States Parties
to the United Nations
Convention against Corruption**

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**Open-ended Intergovernmental Working
Group on the Prevention of Corruption**

Ninth Meeting

Vienna, 5–7 September 2018

Draft report

Addendum

**III. Implementation of Conference resolutions 7/5, entitled
“Promoting preventive measures against corruption”, and
7/6, entitled “Follow-up to the Marrakech declaration on
the prevention of corruption”, and of the recommendations
agreed upon by the Working Group at its meeting held in
August 2017**

**B. Thematic discussion on asset and interest disclosure systems
(article 8, paragraph 5 of the United Nations Convention against
Corruption)**

1. The Chair introduced the substantive discussion of the item, for which the secretariat had prepared a background note (CAC/COSP/WG.4/2018/3).
2. The secretariat thanked States parties for the information they had provided in advance of the meeting which formed the basis of the background note. The secretariat emphasized the importance of asset and interest declarations as both a means for identifying conflicts of interest and a tool for supporting corruption investigations.
3. A panellist from the Russian Federation reported that the asset disclosure system and legal framework in his country allowed for early identification of corrupt practices and comparison of information provided by declarants over time. He explained that the scope of individuals needing to make asset disclosures was broad, and information about assets was made public, taking into account personal data protection. Non-provision of information or provision of misleading information could lead to sanctions or dismissal. The panellist provided an overview of the asset disclosure process in the Russian Federation from submission through verification and potential investigation and prosecution and referred to the number of cases that had led to administrative or criminal sanctions as well as asset confiscation.
4. A panellist from Argentina presented the country's asset and interest disclosure system and legal framework, as well as the steps being taken to modernize and upgrade the system to a fully electronic one. The panellist stressed the dual purpose



of the disclosure system which was both a preventive measure as well as a means to promote the detection and investigations of corruption. She stated that Argentina would ensure that the new system was user-friendly, comprehensive, and capable of generating quality information which would improve Argentina's ability to detect and manage conflicts of interest of public officials and investigate corruption allegations. The panellist further described additional measures which Argentina had adopted to promote transparency in the public sector.

5. A panellist from Malaysia described the country's asset disclosure system and legal framework. He explained that the scope of this system was broad and aimed at curbing corruption and conflict of interest, detecting abuse of public office, ensuring integrity among public officials, and detecting illicit enrichment. He highlighted that asset disclosures were a pre-condition for confirmation of appointment and promotion of all public officials in Malaysia, and that failure to disclose assets could lead to a warning, demotion or dismissal. He also provided examples of high-level asset seizure cases in Malaysia. He finally summarized the current improvements to the asset disclosure system in Malaysia, including the requirement to submit copies of high-level public officials' disclosures to the Malaysian Anti-Corruption Commission, and improved public access to these disclosures.

6. A panellist from the Council of Europe's Group of States against Corruption (GRECO) discussed findings and recommendations related to interest and asset disclosures emerging from the fourth round of evaluation of the GRECO Member States. She noted that most of the systems shared the dual purpose of preventing conflicts of interest and monitoring wealth variations and illicit enrichment. Common trends included the expansion of the scope of declarants and disclosed assets and interests, increased level of required detail, and the rising popularity of e-declarations. Despite those positive trends, the budgets and resources of the respective oversight bodies had generally not been reinforced. In addition, statistics on sanctions and systematic impact assessments were lacking, and their impact on anti-corruption policies were unclear.

7. Many speakers described how asset and interest disclosure systems functioned in their countries. They elaborated on the purpose of these systems, which were to prevent or identify conflicts of interest, to detect potential illicit enrichment or a combination of those goals.

8. The categories of individuals that needed to make asset and interest declarations was reported to be different among countries. The importance of requiring declarations from elected officials, senior officials and officials with responsibility for finance and procurement was stressed.

9. Many speakers emphasized the need to ensure that public officials declared and disclosed the interests and wealth of their family members in addition to their own personal interests, which could strengthen the overall conflict of interest regime in countries.

10. Speakers underlined the importance of disclosing and addressing non-monetary private interests, from which a conflict with the duty to act in the public interest might arise.

11. The institutional arrangements for asset and interest declarations described by speakers varied. Some had a central agency tasked to receive disclosures, carry out verification and either directly investigate suspected breaches or report them to appropriate authorities. In others, declarations were collected by separate ministries and agencies and referred to a different authority when there was suspicion of corruption.

12. Speakers reported different practices relating to the frequency of the obligation to submit asset and interest declarations. In some countries, declarations were expected at the beginning and end of employment, while in other countries they were to be submitted periodically, generally on an annual basis. Some speakers emphasized

the importance of extending the asset and interest declarations regime to the period after public officials had left public service.

13. Speakers reported on the types of information that was to be included in asset and interest declarations. Emphasis was placed on the collection of financial information to identify both unexplained wealth and conflicts of interest.

14. Some speakers underlined that after the introduction of an electronic version of the asset and interest disclosure system, the use and effectiveness of the system had greatly improved. Others informed the Working Group that awareness-raising campaigns had increased the rate of submission of declarations by public officials.

15. Speakers highlighted that the verification of the asset and interest declarations was crucial for increased accountability and transparency. Some speakers reported that the verification of declarations was carried out for senior level officials only, while others noted that a procedure of random verifications was used. Several speakers discussed that electronic comparisons of declarations with other public data facilitated the verification process. Speakers referred to sanctions for non-compliance with disclosure requirements that were mainly administrative.

16. One speaker emphasized that examples of relevant legislation dated back to 636 A.D.

17. Challenges in ensuring effective asset and interest disclosure systems noted by speakers included identifying investments in the informal sector, sharing of information among national institutions, managing large volumes of data and adequately resourcing verification systems.

18. Several speakers recognized the value of sharing good practices and expressed the need for technical assistance in order to strengthen asset and interest disclosure systems and the verification of declarations in their countries.

19. The representative of WCO underlined the importance of promoting integrity in customs authorities which the Organization supported through dialogue and the development of tools.